

Redemption and Refund Values, Labeling Requirements, and Handling Fees Permanent Regulations
Effective March 29, 2004

TITLE 14. NATURAL RESOURCES
DIVISION 2. DEPARTMENT OF CONSERVATION
CHAPTER 5. DIVISION OF RECYCLING

Legend:

Underline Proposed Permanent Additions
~~Strikeout~~ Proposed Permanent Deletions

SUBCHAPTER 1. DEFINITIONS

§2000. DEFINITIONS.

(a) In addition to the definitions provided in the California Beverage Container Recycling and Litter Reduction Act, except for subdivisions (a)(3.1), (10), (20), (21), (35), (37), (38), (40) and (42) below which modify definitions in the Act for purposes of these regulations, the following definitions shall apply whenever the terms are used in this chapter.

(1) "Act" means the California Beverage Container Recycling and Litter Reduction Act (Division 12.1 of the Public Resources Code).

(2) "Administrative Costs" means the cost of recordkeeping and accounting required of curbside programs, distributors, recycling centers and processors to comply with the requirements of the Act and these regulations.

(2.1) "Amended Processor Invoice" means an invoice submitted by a processor correcting an original report that has been processed and paid.

(2.2) "Amended Shipping Report" means a shipping report submitted by a processor correcting an original shipping report that has been processed and paid.

(2.5) "Alternative Methodology" means an individual commingled rate survey methodology, which either employs the Division's methodology with variations or creates a proposed methodology for the dropoff or collection, community service or curbside programs to arrive at an individual commingled rate.

(3) "Applicant" means the person(s) who has authority to legally bind the operator to a contract.

(3.1) "Beneficiating Processor" means any processor certified by the department who sells cullet to another certified processor or to a glass container manufacturer during the three months preceding the month in which scrap value data is reported to the Division and who beneficiates purchased cullet so that the cullet either:

(A) meets the American Society for Testing and Materials (ASTM) standard specification for waste glass as a raw material for the manufacture of glass containers [E708-79 (Reapproved 1988) Standard Specification for Waste Glass As A Raw Material For The Manufacture of Glass Containers. Current Edition Approved Nov. 30, 1979; published January 1980, see appendix A]; or

(B) is free from nonglass contaminants and non-container glass compositions, cleansed, crushed to size, free-flowing with minimum water content, absent of hazardous material residue and passes furnace ready sampling and testing methods of a purchasing glass container manufacturer.

(C) Notwithstanding the other provisions of this section, any certified processor shall not be considered a beneficiating processor if fifty percent (50%) or more of the cullet purchased by that processor during the survey month in which the scrap value data is reported was purchased as beneficiated cullet.

(3.2) "Beverage manufacturer" shall have the same definition as provided in Public Resources Code section 14506, and "any person ... who imports", as provided in that section, shall include, in the following order of preference:

(A) Any consignee of filled beverage containers brought into this State from without this State, when the filled beverage containers are for delivery, use, or sale within this State.

(B) Any person or entity to whom delivery is first made in this State of filled beverage containers brought into this State from without this State, when the filled beverage containers are for delivery, use, or sale within this State.

(C) Any person or entity bringing filled beverage containers into this State from without this State which are not consigned to any person, when the filled beverage containers are for delivery, use, or sale within this State.

(4) "Cancellation" means the act of removing the refund value of an empty beverage container by any of the following actions:

(A) Aluminum empty beverage containers shall be deemed cancelled when such containers can no longer be physically reconstituted or distinguished as container units. Except as provided in section 2110(b), this may be accomplished by shredding or densification to thirty pounds per cubic foot or more.

(B) Glass empty beverage containers shall be deemed cancelled when such containers have been substantially cleaned of non-glass contaminants and they are crushed size in such a manner as to be acceptable without further processing by a willing user.

(C) Plastic empty beverage containers shall be deemed cancelled when the original form has been so altered as to make its reconstitution physically impossible.

(D) Bimetal empty beverage containers shall be deemed cancelled by densification sufficient to ensure that separation of a single container is no longer possible, or by shredding, milling, or nuggeting.

(E) Any empty beverage container shall be deemed cancelled when it is permanently exported from the State and export verified in accordance with subsections 2420(d)(1), (2) and (3) of these regulations provided that, if aluminum beverage containers, they are first densified to no less than 15 pounds per cubic foot, or shredded.

(F) Any empty beverage container shall be deemed cancelled when it is delivered to a location of end use and the delivery verified in accordance with subsections 2420(d)(1), (2) and (3) of these regulations provided that the following requirements are met:

1. aluminum beverage containers are first densified to not less than 15 pounds per cubic foot, or shredded.

2. glass beverage containers are delivered to a location of end use, which includes a beneficiating processor, as defined in Public Resources Code section 14503.6.

(5) "Category" means the classification of operation, i.e., processor, recycling center, grandfathered recycling center, dropoff or collection program, or community service program.

(6) "Certificate" means the official document issued by the Division which identifies an operator of a recycling center, dropoff or collection program, community service program or processing facility as meeting the requirements for certification by the Division.

(7) "Certified" means an operator of a recycling center, dropoff or collection program, community service program or processing facility has met the minimum requirements established by the Division to receive the certificate defined in (6) above.

(8) "Certification Sign" means a sign or decal issued by the Division for display which identifies the operator of a recycling center as meeting the requirements for certification by the Division.

(9) "Clearly and Prominently" means that the redemption message is displayed so that it is easily found and read by consumers and recyclers. Each letter comprising the message is complete, legible, and cannot be readily obscured. Other factors include boldness, width, spacing, and location of lettering. The message must be distinguishable from refund messages of other states.

(9.5) "Close proximity" means the area within, or adjacent to, a convenience zone, as determined by the Division on a case-by-case basis considering geographic and demographic factors, and consumer convenience.

(10) "Commingled" means a mix of empty beverage containers and other containers of the same material type. Any broken glass empty beverage container(s) purchased from consumers, dropoff or collection programs, or community service programs shall be deemed commingled. Any broken or partial beverage container(s) shall not be included when performing a survey methodology to arrive at an individual commingled rate or statewide average commingled rate. Dropoff or collection, curbside and community service programs' individual commingled rate shall be determined pursuant to subsection 2620 through 2645, 2660 through 2685, and 2720 through 2745, respectively. The statewide average commingled rates shall be determined by the Division pursuant to subsections 2900(a)(1)(B) and section 2930 of these regulations.

(11) "Community Service Program" means a program, certified by the Division, which does not pay a refund value and accepts or collects empty beverage containers at a specific location or locations and meets one of the following criteria:

(A) The program is organized under Section 501(c) or 501(d) of the Internal Revenue Code [26 U.S.C. 501(c) and 501(d)], or

(B) The program is a charitable group organized under Section 23701 of the California Revenue and Taxation Code, or

(C) The program is operated by, or caused to be operated by, a city, county or other public agency.

(11.1) "Consolidated Shipping Report" documents the delivery and receipt of material for processors or recycling centers that operate multiple recycling centers or receive material from dropoff or collection programs, community service programs, or curbside programs and is prepared pursuant to subsection 2090(f) of these regulations.

(12) "Contrasting Colors" as used in reference to the redemption message lettering means a clear differentiation in hue, value, and intensity with the background on which the redemption message appears, surrounding artwork, and other nearby printed information.

(13) "Days" means all calendar days unless provided otherwise.

(14) "Delivered" or "Delivery", as used in subchapters 5 & 6 of these regulations, means physically taking possession of the material.

(15) "Dual Certified Entity" means any person who is certified as a processor and also a recycling center at the same location as the processor.

(16) "Densification" means the process of compressing material for the purpose of increasing the weight to volume ratio.

(17) "Disposal Cost" means the transportation cost for hauling postfilled beverage container types to a state-permitted disposal site (landfill, incinerator, or other type of state-permitted site), plus the specified disposal fee.

(18) "Division" means the Division of Recycling, which is within the Department of Conservation.

(19) (Reserved)

(20) "Dropoff or Collection Program" means a recycling program which does not pay refund value and accepts or collects empty beverage containers, and which cannot qualify as a curbside program as defined in Section 14509.5 of the Act. "Dropoff or Collection Program" also means a program which separates recyclables from mixed municipal waste. "Dropoff or Collection Program" does not mean a program which accepts or collects recyclable materials which have already been separated from mixed municipal waste. Dropoff or Collection Program includes a Neighborhood Dropoff Program which meets all of the criteria in Section 14514.4.1 of the Act.

(21) "Empty Beverage Container" means a beverage container which meets all the requirements in Section 14512 of the Act except that such term does not include refillable beverage containers.

(22) "Exemption" means an exclusion to the requirement that a recycling center must be established in a convenience zone.

(22.5) "Exempt convenience zone" or "Exempt zone" means a convenience zone which has been granted an exemption pursuant to Section 14571.8 of the Act.

(23) "Exporting" means the act of sending a filled or unfilled empty beverage container or empty beverage container component permanently out of this State.

(24) "Facility" means a recycling or processing operation that has been built, installed or established to serve as a collection or processing point for redeemable beverage containers.

(25) "Grandfathered" is a term which refers to recycling centers that meet the requirements of section 2500(c) of these regulations.

(26) "Importing" means the act of bringing into this State a filled or unfilled empty beverage container or empty beverage container component.

(27) "Indelibly" means that the redemption message is permanently affixed on the beverage container from the point of purchase until the point of redemption and cannot be smeared or removed during regular use.

(27.1) "Individual Commingled Rate" means a commingled rate approved by the Division which is applicable to dropoff or collection, community service, or curbside programs, which have obtained prior approval from the Division.

(27.5) "Interested person" means a supermarket, dealer, certified recycling center, person with a pending certification application, located in or in close proximity to the zone under consideration for an exemption or revocation of an exemption, or a local government agency with jurisdiction over the area where the zone under consideration for an exemption or revocation is located.

(27.6) "Line Breakage," for purposes of these regulations, means preconsumer material that is recycled or disposed of by a container manufacturer, beverage manufacturer, distributor, or dealer.

(27.7) "Letter of Denial" (LED) means a notice sent to program participants denying requests to conduct an individual commingled rate survey or denying approval of an individual commingled rate, or revoking an individual commingled rate for reason(s) indicated in the LED.

(28) "Location" means the street address where the facility operates.

(29) "Location of End Use" means the place where beverage containers or materials are physically reconstituted for purposes other than sorting, shredding, stripping, compressing, storing, landfilling, disposing, or other activities which do not result in recycling.

(29.5) "Low volume" means an average monthly volume, as defined at Section 14503.5 of the Act, which is less than the statewide average monthly volume of recycling centers in convenience zones. Average monthly volumes shall be calculated annually and shall apply during the calendar year immediately following the calculation.

(30) "Material" means the physical substance used to manufacture a beverage container or food and drink package including, but not limited to, aluminum, bimetal, glass, and plastic.

(30.7) "Milk" means the lacteal secretion which is obtained from the udder of a cow or goat.

(31) "Minimum Lettering Size" is applicable to the height of all the letters in the redemption message.

(32) "Nonaffiliated seller" means any person who sells scrap beverage container material types to a certified processor and is neither owned nor managed in common with such processor.

(32.4) "Notice of Denial" (NOD) means a notice sent to program participants denying requests for program payments, including handling fees, for reason(s) indicated on the notice. Handling fee notices will be sent for each denied site and will explain why the site was denied during a particular month.

(33) "Operator" means the person(s) or entity who has ultimate responsibility for a recycling facility, processing facility, dropoff or collection program, or community service program.

(34) "Person" means an individual, corporation, operation, or other entity, regardless of its form, subject to the Act.

(35) "Processor" means any person, including a scrap dealer, who purchases or offers to purchase empty beverage containers from more than one recycling center in this state and is responsible for canceling empty beverage container(s) in a manner prescribed in section 2000(a)(4) of these regulations.

(35.1) "Processor Invoice" means the report required in section 2425 of these regulations which the Department uses to determine payment to a certified processor.

(36) "Public Agency" means the city, county, district or other government entity which operates a curbside program or which has the authority to approve or acknowledge the operation of a curbside program.

(36.5) "Recycling Center" means those operations defined in Section 14520 of the Act and includes "Nonprofit Convenience Zone Recycler" as defined in Section 14514.7 of the Act and "Rural Region Recycler" as defined in Section 14525.5.1 of the Act.

(37) "Redeem" means to return an empty beverage container which bears the message as required in Section 14561 of the Act ~~is identified with "CA Redemption Value", "California Redemption Value", "CA Cash Refund", "California Cash Refund", "CA 2.5¢", if the container is less than 24 ounces, or "CA 5¢" if the container is 24 ounces or more, (in compliance with section 2200 of these regulations)~~ to a certified recycling or processing facility and receive refund value for the container.

(38) "Redeemable Beverage Container" means a container which bears the message as required in Section 14561 of the Act ~~identified with "CA Redemption Value", "California Redemption Value", "CA Cash Refund", "California Cash Refund", "CA 2.5¢" if the container is less than 24 ounces, or "CA 5¢" if the container is 24 ounces or more, (in compliance with section 2200 of these regulations)~~ which and has an established refund value.

(39) "Redemption Weight" is the weight of empty California redemption-labeled beverage containers.

(40) "Refund Value" means, in addition to the definition provided in Section 14524 of the Act, any amount paid by a noncertified recycler, dropoff or collection program, or community service program, or any payments received by a noncertified recycler, in excess of:

(A) For aluminum, the scrap price as listed in the American Metal Market publication.

(B) For glass, plastic and bimetal, the portion of the processing payment which are the costs for the recycler, as determined by the Division pursuant to Section 14575 of the Act.

(41) "Rejected Container" means a California redemption-labeled beverage container, which a container manufacturer or beverage manufacturer elects to recycle or dispose of without paying any applicable processing fee, or which a distributor elects to recycle or dispose of without paying the redemption payment. "Rejected containers" includes container tops, lids, or other components which ~~contain~~ bear the message as required in Section 14561 of the Act, ~~"CA Redemption Value", "California Redemption Value", "California Cash Refund", "CA Cash Refund", "CA 2.5¢" if the container is less than 24 ounces, or "CA 5¢" if the container is 24 ounces or more.~~

(41.05) "Representation of Materials" means a typical collection of commingled container materials, of the same material type, representing a ratio of empty beverage containers and all other containers collected by the program and surveyed by the operator to determine an individual commingled rate for dropoff or collection, community service, or curbside programs.

(41.1) "Rural Region" means a non-urban area identified by the Division on an annual basis using Farmers Home Administration criteria. Such criteria for area include, but are not limited to, places, open country, cities, towns, or census designated places with populations less than 10,000. Areas with populations between 10,000 and 50,000 may be designated as rural unless identified as part of, or associated with, urban areas, as determined by the Department on a case by case basis.

(41.2) "Scrap", for purposes of these regulations, is any recyclable container, including food or drink packaging material, other beverage containers, other nonredeemable containers, out-of-state beverage containers, line breakage or rejected containers, of the same material composition as redeemable containers covered by the Act.

(42) "Scrap Value" is the total net payment per ton to any nonaffiliated seller in each of the following categories: Certified recycling centers, dropoff or collection programs, community service programs, registered curbside programs, and certified processors, for container material types.

(43) "Segregated" means divided by material type and that such divided load consists of 100% California Refund Value material.

(44) "Shipping Report" is the documentation of the receipt of material by a processor, or by a recycling center from another recycling center, dropoff or collection program, community service program, or curbside program. The shipping report is the basis for payments by the Division pursuant to Section 14573 of the Act.

(45) "Shrinkage" means the reduced value due to contamination of empty beverage containers by dirt, moisture, or other foreign substances.

(46) "Size" means the capacity of the beverage container in fluid ounces.

(47) "Statistical Sample" means an estimate with an 85% confidence level.

(47.1) "Supplemental Processor Invoice" means:

(A) A report to correct any shipping report(s) denied on the original processor invoice and/or

(B) A report to add any shipping report(s) to the original processor invoice for transactions that occurred within the same specific reporting period.

(47.2) "Total Net Payment", as used in subparagraph (a)(42) of this section and section 2425, means the amount paid for the reported monthly weight after deductions (e.g., transportation service) and additions (e.g., freight allowance) pertinent to the specific sales transaction have been made. "Total net payment" includes positive, zero and negative dollar amounts, as applicable. This subsection is not intended to relieve a processor of its obligation to pay refund value, administrative and processing payments pursuant to Sections 14539(b)(3) of the Act and sections 2400 and 2430 of this chapter.

(47.3) "Urban Area" means an area identified by the Division on an annual basis using Farmers Home Administration criteria. Such criteria for area include, but are not limited to, densely settled areas of continuous residential development with minimum population of 50,000. Areas with populations less than 50,000 and greater than 10,000 may be designated as urban unless identified as part of, or associated with, rural areas, as determined by the Department on a case by case basis.

(48) "Working Days" means all days except Saturdays, Sundays, and official California State Holidays.

(49) "Zonemate" means a supermarket which lies within the boundaries of a convenience zone other than the one that it creates.

Authority: Sections 14530.5(b), 14536(b), and 14536.1, Public Resources Code. Reference: Sections 14500, 14501(f), 14503, 14503.6, 14504, 14505, 14506.5, 14509.5(b), 14511.7, 14512, 14512.5, 14513, 14514.4.1, 14514.7, 14517, 14518, 14518.5, 14519.5, 14520, 14520.5, 14520.6, 14522.5, 14524, 14525.5.1, 14526, 14530, 14530.2, 14536(a), 14537, 14538, 14539, 14550, 14552, 14561, 14571.2, 14571.8(b), 14572, 14573, 14573.5, 14573.51, 14574, and 14575(a) and (b), Public Resources Code.

SUBCHAPTER 3. MANUFACTURERS

Article 1. Labeling

§2200. LABELING REQUIRED.

(a) A beverage manufacturer shall indicate on every nonrefillable beverage container sold or offered for sale in the state by the beverage manufacturer the message as required in Section 14561 of the Act ~~words "California Redemption Value", "CA Redemption Value", "California Cash Refund", "CA Cash Refund", "CA 2.5¢", if the container is less than 24 ounces or "CA 5¢" if the container is 24 ounces or more.~~

(1) All nonrefillable beverage containers sold, on and after the effective date of inclusion under the Act, by any person to a distributor, dealer, or consumer shall be labeled in accordance with this section.

(b) Beverage containers shall be clearly, prominently, and indelibly marked as indicated in subsection (a) by painting, printing, scratch embossing, raised letter embossing, or permanent ink jetting, in the specific manner indicated in paragraphs (1), (2), (3) or (4):

(1) Metal containers, excluding metal bottles, shall be marked on the top end of the container in minimum lettering size at least 3/16 inch in height. Metal containers, excluding metal bottles, with a top lid of two inches or less in diameter shall have a minimum lettering size of at least 1/8 inch in height.

(A) Scratch embossed lettering shall be of a minimum width of 0.004 inch of disturbed surface metal.

(2) Glass containers and plastic containers shall be free of notations resembling "No Deposit - No Return", and shall be marked either:

(A) Along the bottom edge of the container body label in minimum lettering size at least 3/16 inch in height;

(B) On or in a secondary label in minimum lettering size at least 3/16 inch in height; or

(C) On a container body label or secondary label with contrasting colors with legible lettering in minimum lettering size at least 1/8 inch in height. Contrasting colors shall direct the reader to the message required in subsection (a).

(3) Plastic portion controlled cups that have peelable, heat sealed lids that are not resealable, shall be marked in a minimum lettering size of at least 1/8 inch in height on either the side of the container only, or on the lid and bottom of the container.

(4) Metal bottles shall be marked on the side of the bottle in minimum lettering size at least 3/16 inch in height.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14504(c), 14561, 14530.5 and 14536, Public Resources Code.

§2305. RECORDKEEPING.

A distributor shall maintain the following records by individual sale or transfer and in accordance with the general requirements set forth in section 2085 of subchapter 2 of these regulations.

(a) Receipt of Beverage Containers. A distributor shall maintain records, by individual sale or transfer, of all beverage containers received, including all containers which bear the message as required in Section 14561 of the Act, "~~CA Redemption Value~~", "~~California Redemption Value~~", "~~California Cash Refund~~", "~~CA Cash Refund~~", "~~CA 2.5¢~~", if the container is less than 24 ounces, or "~~CA 5¢~~" if the container is 24 ounces or more. The records shall contain all of the following information:

(1) The quantity received by material type, of beverage containers, including all containers which bear the message as required in Section 14561 of the Act, "~~CA Redemption Value~~", "~~California Redemption Value~~", "~~California Cash Refund~~", "~~CA Cash Refund~~", "~~CA 2.5¢~~", if the container is less than 24 ounces, or "~~CA 5¢~~" if the container is 24 ounces or more;

(2) The full name and address of the beverage manufacturer or other originating person; and

(3) The date the beverage containers, including all containers which bear the message as required in Section 14561 of the Act, "~~CA Redemption Value~~", "~~California Redemption Value~~", "~~California Cash Refund~~", "~~CA Cash Refund~~", "~~CA 2.5¢~~", if the container is less than 24 ounces, or "~~CA 5¢~~" if the container is 24 ounces or more, were received by the distributor.

(b) Sale or Transfer of Beverage Containers. A distributor shall maintain records, by individual sale or transfer, of all beverage containers, including all containers which bear the message as required in Section 14561 of the Act, "~~CA Redemption Value~~", "~~California Redemption Value~~", "~~California Cash Refund~~", "~~CA Cash Refund~~", "~~CA 2.5¢~~", if the container is less than 24 ounces, or "~~CA 5¢~~" if the container is 24 ounces or more on all CRV beverage containers, and refillable beverage containers sold or transferred to other distributors, dealers, or consumers. The records shall contain all of the following information:

(1) The quantity by material type of all beverage containers, including all containers which bear the message as required in Section 14561 of the Act, ~~"CA Redemption Value", "California Redemption Value", "California Cash Refund", "CA Cash Refund", "CA 2.5¢", if the container is less than 24 ounces, or "CA 5¢" if the container is 24 ounces or more,~~ and refillable beverage containers;

(2) The full name and address (and the shipping or destination name and address, if different) of the dealer, consumer, or other distributor to whom the beverage containers, including refillable beverage containers and containers which bear the message as required in Section 14561 of the Act, ~~"CA Redemption Value", "California Redemption Value", "California Cash Refund", "CA Cash Refund", "CA 2.5¢", if the container is less than 24 ounces, or "CA 5¢" if the container is 24 ounces or more,~~ were sold or transferred; and

(3) The date(s) the beverage containers, including all the containers which bear the message as required in Section 14561 of the Act, ~~"CA Redemption Value", "California Redemption Value", "California Cash Refund", "CA Cash Refund", "CA 2.5¢", if the container is less than 24 ounces, or "CA 5¢" if the container is 24 ounces or more,~~ and refillable beverage containers, were sold or transferred.

(c) The Distributor Report, DR-3 (1/004) and Payments to the Division. A distributor shall maintain the DR-3 (1/004) and payment records prepared pursuant to sections 2310 and 2320 of this subchapter.

(d) Rejected Containers. A distributor shall maintain records of any recycling, processing, or other disposition of rejected containers and any payments therefor. These records shall include receipts or statements signed by the recycling center, processor, or other recipient. Such receipts shall state the weight by material type of the rejected containers and any payment made or credit granted therefor.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14530.5, 14537, 14550(b) and (c), 14561, 14571.9 and 14572.5, Public Resources Code.

§2310. REPORTING.

(a) A distributor shall prepare and submit to the Division the Distributor Report, DR-3 (1/004) in accordance with the general requirements for reporting contained in section 2090 of these regulations.

(1) The DR-3 (1/004) for sales or transfers of all beverage containers, except beer and malt beverage containers, shall be submitted no later than the tenth day of the second month following the month of sales. For example, sales of January 2000 shall be reported on March 10, 2000; sales of February 2000 shall be reported on April 10, 2000; sales of March 2000 shall be reported on May 10, 2000; etc.

(2) The DR-3 (1/004) for sales or transfers of all beer and malt beverage containers shall be submitted no later than the last day of the third month following the month of sales. For example, sales of January 2000 shall be reported on April 30, 2000; sales of February 2000 shall be reported on May 31, 2000; sales of March 2000 shall be reported on June 30, 2000; etc.

(3) The DR-3 (1/004) shall contain all of the following information:

(A) The distributor's name, address, contact person, and telephone number of the contact person.

(B) The distributor's assigned identification number, specific to the beverage type reported. A report of sales or transfers of beer and malt beverage containers shall include an assigned identification number with the prefix "DB". A report of sales or transfers of beverage containers other than beer and malt beverage containers shall include an assigned identification number with the prefix "DS". A separate DR-3 (1/004) shall be submitted for each "DB" and "DS" identification number.

(C) The reporting period;

(D) The total number and total empty weight of beverage containers, by material type and size, including all containers which bear the message as required in Section 14561 of the Act, ~~"CA Redemption Value", "California Redemption Value", "California Cash Refund", "CA Cash Refund", "CA 2.5¢", if the container is less than 24 ounces, or "CA 5¢" if the container is 24 ounces or more,~~ sold or transferred;

(E) The total number of beverage containers identified in subparagraph (C);

(F) Redemption payment and administrative fee:

1. The redemption payment for each material type by size, and
2. The total redemption payment,
3. The administrative fee deducted, and
4. The total due to the Division;

(G) The total number and total empty weight of refillable beverage containers sold, transferred, and returned to the distributor. Each of these items shall be reported by material type; and

(H) The signature of an authorized representative and date signed.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14530.5, 14550 (b) and (c), 14560, 14561, 14571.9 and 14574, Public Resources Code.

§2320. PAYMENTS.

(a) The distributor shall pay to the Division the total redemption payment for all beverage containers, including all containers which bear the message as required in Section 14561 of the Act, ~~"CA Redemption Value", "California Redemption Value", "California Cash Refund", "CA Cash Refund", "CA 2.5¢", if the container is less than 24 ounces, or "CA 5¢" if the container is 24 ounces or more,~~ sold or transferred to dealers or consumers, less an administrative fee equal to one percent (1%) of the calculated redemption payment. Notwithstanding any other provisions of this subchapter, this administrative fee shall not be deducted from the calculated redemption payment, if the Division calculates the redemption payment owed by the distributor to the Division.

(b) Redemption Payments. The distributor shall compute total redemption payment, by material type, by multiplying the number of beverage containers, including all containers which bear the message as required in Section 14561 of the Act, ~~"CA Redemption Value", "California Redemption Value", "California Cash Refund", "CA Cash Refund", "CA 2.5¢", if the container is less than 24 ounces, or "CA 5¢" if the container is 24 ounces or more,~~ reported pursuant to section 2310(a), by the currently effective redemption payment per container for that material type. The currently effective redemption payment shall also be applicable for all containers which bear the message as required in Section 14561 of the Act, ~~"CA Redemption Value", "California Redemption Value", "California Cash Refund", "CA Cash Refund", "CA 2.5¢", if the container is less than 24 ounces, or "CA 5¢" if the container is 24 ounces or more.~~

(c) The redemption payment per container is determined by the Division pursuant to section 14560 of the Act and section 2900(b) of subchapter 12 of these regulations.

(d) The sum of the individual redemption payments by material type computed pursuant to subsection (b), shall equal the total redemption payment for the reporting period.

(e) Administrative Fee. The administrative fee equals one percent (1%) of the total redemption payment computed pursuant to subsection (b).

(f) Total Payment Due. The total payment due to the Division for each reporting period is calculated by subtracting the administrative fee computed pursuant to subsection (e) from the total redemption payment computed pursuant to subsection (b). The distributor shall submit to the Division the total payment due, accompanied by the reports required pursuant to section 2310.

(g) Recycling Center Handling Fee. The distributor shall negotiate a handling fee with each recycling center which returns or causes to be returned empty refillable beer or other refillable malt containers.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14561, 14572.5 and 14574, Public Resources Code.

SUBCHAPTER 5. PROCESSORS

Article 1. Requirements for Processors

§2401. LOAD INSPECTION REQUIREMENTS.

(a) Certified processors shall inspect each load of containers, subject to the Act, delivered to the processor, for which refund value is claimed, to determine whether the load is eligible for any refund value and, if so, to determine whether the load is segregated or commingled, as follows:

(1) For any load delivered to a processor from a dropoff or collection program, community service program, curbside program or recycling center, each processor taking delivery of the material shall visually inspect each load of material by monitoring the unloading and/or conveyor process to determine eligibility and whether the load is segregated or commingled.

(b) In addition to the requirements of section 2110 of these regulations, a load of aluminum material shall be deemed not eligible for any refund value if there are pieces of broken, densified bales or biscuits of aluminum beverage containers within the load. This does not include cans which have merely been flattened. A load of plastic material shall be deemed not eligible for any refund value, if pieces of bales of plastic are found in the load.

(c) Once eligibility is determined, payment shall be calculated pursuant to section 2430 of these regulations.

(d) All out-of-state material, whether labeled with the message required in Section 14561 of the Act "~~California Redemption Value~~", "~~CA Redemption Value~~", "~~California Cash Refund~~", "~~CA Cash Refund~~", "~~CA 2.5¢~~" or, "~~CA 5¢~~" or not, and all rejected containers are not eligible for any refund value payments.

Authority: Sections 14530.5 and 14536, Public Resources Code. Reference: Sections 14539 and 14553, Public Resources Code.

SUBCHAPTER 6. RECYCLING CENTERS

Article 1. Requirements for Recycling Centers

§2500. OPERATION STANDARDS.

(a) With the exception of recycling centers which meet the criteria for grandfathering, all certified recycling centers shall operate in accordance with all of the following requirements:

(1) Recycling centers certified by the Division shall begin operation within sixty (60) calendar days of approval of the certification. Failure to begin operating within sixty (60) calendar days shall result in invalidation of the certification by the Division.

(2) The recycling center shall accept from customers all of the following:

(A) All types of redeemable beverage containers; and

(B) With the exception of reverse vending machines, refillable beer and malt beverage containers.

(3) The recycling center shall make all payments in accordance with section 2535 of these regulations.

(4) Unless an exception is provided for elsewhere in this Chapter, each certified recycling center shall be open for business during the following hours:

(A) At least thirty (30) hours per week, and

(B) At least five (5) hours per week shall be other than 9:00 a.m. to 5:00 p.m. on Monday through Friday;

and

(C) Up to fifteen (15) hours each week shall be other than 9:00 a.m. to 5:00 p.m. on Monday through Friday if the Division, subsequent to a public hearing, determines that it is necessary to further the recycling goals specified in Section 14501 of the Act. In making its determination, the Division shall consider, but not be limited to, the following:

1. Convenience to the public,
2. Alternative recycling opportunities available to the public, and
3. If the Division has received three or more complaints against the certified recycling center regarding its operating hours outside of 9:00 a.m. to 5:00 p.m., Monday through Friday.

(b) A recycling center which is staffed and is not a reverse vending machine shall have an employee present during its posted hours and shall display a sign having a minimum size of two feet by two feet (576 square inches) informing the public that the recycling center is open for business. Where local zoning or ordinance restricts the size of the sign to less than two feet by two feet, the sign shall be the maximum size allowable. Where the physical location of the posted sign restricts the size of the sign, a sign varying from the specifications contained in this section may be posted if requested in writing and approved in writing by the Division. The sign shall contain, at a minimum, the word "OPEN" in lettering at least 10 inches in height.

(1) If the recycling center consists of dropoff receptacles with refund value payment occurring elsewhere on the property, the operator of the recycling center shall take the following actions:

(A) A sign shall be placed on or at the front of the receptacles with lettering of at least 3/8 inch in height which informs the customer that all types of empty beverage containers will be accepted and redeemed at all open check-out stands, or exactly where on the property the customer may redeem the beverage containers.

(B) A person shall be present during the hours posted at the recycling center to inspect the empty beverage containers pursuant to Article 3 of this subchapter and pay customers the refund value.

(C) A sign shall be posted during the hours open for business at the designated area where the public may redeem beverage containers. The sign shall contain, at a minimum, the words "OPEN" and "RECYCLING CENTER." The word "OPEN" shall consist of lettering at least 10 inches in height. The words "RECYCLING CENTER" shall be on a separate line and consist of lettering at least 3 1/2 inches in height.

(c) An operator of a recycling center who does not accept all types of redeemable beverage containers may continue to do so and shall be certified as a recycling center, provided all of the following conditions are met:

(1) The recycling center was operating in the same location on January 1, 1986, or if it is a reverse vending machine, the machine was operational on January 1, 1986;

(2) The recycling center did not accept all types of redeemable beverage containers at the same location as of January 1, 1986;

(3) The recycling center continues to redeem, at a minimum, those beverage containers it accepted at the same location as of January 1, 1986; and

(d) A recycling center which meets the criteria to be grandfathered shall make payments in accordance with section 2535 of these regulations.

(e) Each certified recycling center which does not utilize a reverse vending machine shall post the following near the certification sign provided by the Division and in a conspicuous location which can be easily seen by the public:

(1) A legible sign indicating its hours of operation; and

(2) A refund price sign indicating the prices paid by weight or per container and by material type (i.e. aluminum, glass, plastic or bimetal). A refund price sign shall meet the following specifications:

(A) Dimensions. The sign shall be two feet by two feet (576 square inches).

(B) Content. In addition to the prices paid as required in subsection (e)(2) above, the sign shall contain, at a minimum, the statements as indicated in Figure 9. A refund price sign varying from the specifications of this section may be posted if requested in writing and approved in writing by the Division.

- * Refund is not paid for packaging, contamination such as dirt or moisture, nor beverage containers not properly labeled with the California redemption value message, "~~CA Redemption Value~~", "~~California Redemption Value~~", "~~California Cash Refund~~", "~~CA Cash Refund~~", "~~CA 2.5¢~~" if the container is less than 24 ounces, or "~~CA 5 ¢~~" if the container is 24 ounces or more.
- * This recycler will discount the refund value, and may discount scrap value for loads of containers which include nonredemption material.
- * The consumer has the right to:
 - a. Accept a discounted refund and/or scrap price.
 - b. Separate refund from nonrefund material.
 - c. Take material back.

Figure 9.

(f) Each certified recycling center utilizing a reverse vending machine shall post the following on each machine near the certification sign provided by the Division:

- (1) A legible sign indicating its hours of operation, and
- (2) A refund price sign or decal indicating the prices paid by weight or per container for each material type accepted by that reverse vending machine. The refund price sign or decal shall be at a minimum 15 square inches with lettering of at least 3/8 inch in height. A refund price sign or decal not meeting the requirements of this section may be posted if requested in writing and approved in writing by the Division.
- (3) A sign which specifies the method approved by the Division for redeeming empty beverage containers which are odd-sized, made of materials other than aluminum, glass or plastic, or otherwise not accepted by the reverse vending machine or if the reverse vending machine is out of order. If in-store redemption is the alternative method, a sign which is at a minimum 120 square inches with lettering of at least 1/2 inch in height shall be posted which specifies that containers will be redeemed at all open cash registers or the sign must designate exactly where redemption will occur.

(A) If beverage containers are not redeemed at all open registers, a sign shall be posted where refund value payment occurs within the store. The sign shall contain, at a minimum, the words "Redeem CA beverage containers here", and consist of lettering at least 3 inches in height.

(g) The operator of a certified recycling center shall maintain records and submit reports regarding redemption activities in compliance with Article 3 of this subchapter.

(h) Notwithstanding section 2060(e) of these regulations, if all of the requirements of section 2525(k) are met, a certified recycling center may collect, and pay refund value for, empty beverage containers at a church, school, business where beverages are consumed, or other community service organization.

Authority: Section 14530.5(b) and 14536(b), Public Resources Code. Reference: Sections 14501(i), 14515.6, 14538, 14571, 14571.3, 14572(a), (b) and (c) and 14572.5, Public Resources Code.

§2501. LOAD INSPECTION REQUIREMENTS.

(a) Certified recycling centers shall inspect each load of containers, subject to the Act, delivered to the recycling center, for which refund value is claimed, to determine whether the load is eligible for any refund value and, if so, to determine whether the load is segregated or commingled, as follows:

(1) For transactions with consumers, the recycling center shall remove the containers from any bag, box or other receptacle used to deliver the material to the recycling center and visually inspect the containers prior to

determining the basis for payment and paying the seller. In no case shall a certified recycling center pay or claim the refund value for any material not inspected by the recycling center.

(2) For any load delivered to a recycling center, from a dropoff or collection program, community service program, curbside program or other recycling center, each recycling center taking delivery of the material shall visually inspect each load of material by monitoring the unloading and/or conveyor process to determine eligibility and whether the load is segregated or commingled.

(b) In addition to the requirements of section 2110 of these regulations, a load of material shall be deemed not eligible for any refund value if any one of the following conditions exist:

(1) There are pieces of broken, densified bales or biscuits of aluminum beverage containers within the load. This does not include cans which have merely been flattened.

(2) Pieces of bales of plastic are found in the load.

(3) The motor vehicle, if any, used to deliver the load has a license plate from any foreign country, or any state other than California, unless all of the following conditions are met:

(A) The person delivering the load is not a noncertified recycler, as defined at Section 14520.6 of the Act; and,

(B) The total refund value of material delivered by any one person per day does not exceed fifty (50) dollars (\$50.00); and,

(C) The load is not ineligible pursuant to subsection (b)(1), above.

(c) Once eligibility is determined payment shall be calculated pursuant to section 2535(d), of these regulations.

(d) All out-of-state material, whether labeled with the message required in Section 14561 of the Act "~~California Redemption Value~~", "~~CA Redemption Value~~", "~~California Cash Refund~~", "~~CA Cash Refund~~", "~~CA 2.5¢~~", or "~~CA 5¢~~" message or not, and all rejected containers are not eligible for any refund value payments.

Authority: Sections 14530.5 and 14536 Public Resources Code. Reference: Sections 14538 and 14553, Public Resources Code.

Article 2. Handling Fees

§2518. CALCULATIONS AND PAYMENTS.

(a) The Division shall determine handling fee payments for a recycling center meeting the requirements of Section 14585 of the Act and Section 2516, above, based on data contained in the Handling Fee Application Form (Form DR-14 (1/00)) by performing the following calculations:

(1) The reported redemption weights shall be converted to number of empty beverage containers using the Division's statewide average containers-per-pound rate for each material type, and pursuant to Subsection 14585(a)(3) of the Act.

(2) The total number of empty beverage containers for the calendar month shall be calculated by summing the number of empty aluminum, glass, plastic and bimetal beverage containers. If the total number of empty beverage containers is less than the minimum ~~or greater than the maximum~~ number required by Section 14585(a)(2) of the Act, the recycling center is not eligible for handling fees for that calendar month.

(3) The Division shall determine the number of empty beverage containers eligible for handling fees pursuant to Subsection 14585(a)(4) of the Act.

(4) The monthly handling fee for each recycling center shall be the lesser of the following:

(A) Two thousand three hundred dollars (\$2,300); or

(B) The total number of containers eligible for handling fees as derived in paragraph (3) above, multiplied by one and eight-tenths of one cent (\$0.018).

(b) Prior to release of handling fees for each month during which a recycling center is eligible, the Division may determine that such fees should be withheld for any of the following reasons:

(1) The Division has prevailed against the recycler in a civil or administrative action and money is owed to the Division as a result of the action.

(2) The Division determines, based on information contained in the shipping reports filed pursuant to Section 2530 of Article 3 of Subchapter 6, that the recycler has received handling fees for materials which were not redeemed for refund value and such discrepancies between reported redemption weights and shipping weights are more than two and one-half percent.

Authority: Section 14530.5, 14536 and 14552(e), Public Resources Code. Reference: Section 14504, 14526.6 and 14585, Public Resources Code.